VZCZCXRO7530 PP RUEHLMC DE RUEHLP #0522/01 0662025 ZNY CCCCC ZZH P 062025Z MAR 08 FM AMEMBASSY LA PAZ TO RUEHC/SECSTATE WASHDC PRIORITY 6748 INFO RUEHAC/AMEMBASSY ASUNCION 7680 RUEHBO/AMEMBASSY BOGOTA 5043 RUEHBR/AMEMBASSY BRASILIA 8954 RUEHBU/AMEMBASSY BUENOS AIRES 6169 RUEHCV/AMEMBASSY CARACAS 3383 RUEHGE/AMEMBASSY GEORGETOWN 0631 RUEHPE/AMEMBASSY LIMA 3610 RUEHMD/AMEMBASSY MADRID 3907 RUEHMN/AMEMBASSY MONTEVIDEO 5311 RUEHPO/AMEMBASSY PARAMARIBO 0311 RUEHQT/AMEMBASSY QUITO 6012 RUEHSG/AMEMBASSY SANTIAGO 0635 RUEHRI/AMCONSUL RIO DE JANEIRO 0983 RUEHSO/AMCONSUL SAO PAULO 2196 RUCPDOC/DEPT OF COMMERCE WASHINGTON DC RUEAIIA/CIA WASHINGTON DC RUEKJCS/SECDEF WASHINGTON DC RUEHUB/USINT HAVANA 0980 RHMFISS/HQ USSOUTHCOM MIAMI FL RUMIAAA/USCINCSO MIAMI FL RUEHLMC/MILLENNIUM CHALLENGE CORP RHEHNSC/NSC WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 02 LA PAZ 000522

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SUBJECT: AMBASSADOR MEETS PRODUCTION/MICROENTERPRISE

MINISTER

Classified By: Ambassador Philip Goldberg for reasons 1.4 (b),(d).

SUMMARY

 $\P1$. (C) The Ambassador, accompanied by USAID Deputy Director, and Emboff, met with the new Minister of Production and Microenterprise Dr. Javier Hurtado Mercado on March 5. Dr. Hurtado is an accomplished businessman and also a member of the USAID-Quinoa Global Development Alliance. During the meeting, Minister Hurtado pledged to work closely with USAID, attract international investment, and serve as a bridge between social movements and the Bolivian business establishment. He also said he has instructed his staff to draw up a "technical trade proposal" with the United States. End summary.

MINISTER'S GOALS

12. (C) Minister Hurtado acknowledged his good relationship with the Embassy and his work with the USAID-Quinoa Global Development Alliance. He told the Ambassador that "the organic market is key" and that he wants to work with USAID to expand the quinoa program. USAID Deputy Director noted that he Ambassador signed a major three year organics initiative with the Government of Bolivia in October 2007. Dr. Hurtado would like Bolivia to expand into other organic markets such as coffee and llama meat. He also believes there is a market for biodiesel fuels made from quinoa. Minister also wants to improve IPR protections, attract foreign investment, and bridge the gap between social movements and the Bolivian business establishment.

Throughout the meeting, Hurtado repeatedly said he wants to work with USAID in his capacity as minister.

CLOSER RELATIONS WITH THE US

13. (C) When the Ambassador stated that constant attacks by President Morales and other cabinet members made a smooth working relationship extremely difficult, Minister Hurtado acknowledged the GOB's negative political rhetoric against the USG is an impediment. Hurtado tried to explain by saying that "Evo is under a lot of pressure." The Minister said "the best way for us to get closer is by doing business together." He told the Ambassador he would like to work with the Mission to expand USAID programs and to attract foreign investment, adding, "I hope things will improve with us."

TRADE PROPOSAL?

14. (C) Hurtado wants to get to the point of "not worrying about ATPA." The minister said he understood that it was not the Bolivian government's efforts that got ATPA benefits extended. He told the Ambassador that he has instructed the Viceminister of Exports to draw up a "technical trade proposal," admitting that the Morales government has yet to offer any detailed trade agreement. The Ambassador said we would welcome such a proposal, although the trade environment in Washington is highly uncertain.

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COMMENT

15. (C) This is Hurtado's second time in the Morales government, having previously resigned as the Bolivian Director of MCC due to lack of support from the Morales administration. Post has had good relations with Hurtado and views him as one of Evo's more moderate cabinet members. He is a businessman and has extensive dealing with American corporations. His desire to continue to work with, and even expand, USAID programs is encouraging. End comment. GOLDBERG